

a*

AN ACT relative to the Hamilton County Employees Retirement Act and to amend Chapter 557 of the Private Acts of 1939, as amended by Chapter 491 of the Private Acts of 1941, Chapter 134 of the Private Acts of 1949, Chapter 65 of the Private Acts of 1953, Chapter 197 of the Private Acts of 1965, Chapter 80 of the Private Acts of 1969, Chapter 356 of the Private Acts of 1974, Chapter 268 of the Private Acts of 1978, Chapter 156 of the Private Acts of 1981, Chapter 199 of the Private Acts of 1990, Chapter 237 of the Private Acts of 1992 and all acts amendatory thereto.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 557 of the Private Acts of 1939, as amended by Chapter 491 of the Private Acts of 1941, Chapter 134 of the Private Acts of 1949, Chapter 65 of the Private Acts of 1953, Chapter 197 of the Private Acts of 1965, Chapter 80 of the Private Acts of 1969, Chapter 356 of the Private Acts of 1974, Chapter 268 of the Private Acts of 1978, Chapter 156 of the Private Acts of 1981, Chapter 199 of the Private Acts of 1990, Chapter 237 of the Private Acts of 1992, and all acts amendatory thereto, is further amended by deleting the first paragraph of Section 3 in its entirety and by substituting the following:

(a) Contribution to Fund. For the purpose of creating a fund known as the "Employees Insurance Fund" (the "Fund"), the County and the employees of the County are required to contribute the percentage of salaries and compensation as herein provided.

(b) Trustee. The County Pension Board shall be the Trustee of the Fund.

(c) Investment Authority. The Trustee shall have full power to invest and reinvest the assets of the Fund in securities which, as of the time of the investment, are

permissible investments under Tennessee Code Annotated, Section 56-3-303, (relating to authorized investments of reserves by domestic life insurance companies).

Notwithstanding the foregoing: (1) the total sum invested in common and preferred stocks (including investments in "Collective Funds", as defined below, which invest in common or preferred stocks), shall not exceed fifty percent (50%) of the total value of the Fund; and (2) for purposes of this Section, the one percent (1%) limitation of Tennessee Code Annotated, Section 56-3-303(a)(4)(C) (relating to investments in common stocks) shall not apply to investments by the Fund in securities or units of any Collective Fund, but in no event shall investment by the Fund in any one Collective Fund exceed twenty percent (20%) of the value of the Fund at the time of the original investment, whether such Collective Fund invests its assets in common or preferred stocks, bonds or other investments permissible hereunder. For the purposes of this section, "Collective Funds" shall mean (A) any open-end or closed-end management investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. Section 80a1-64, and (B) any common trust fund, within the meaning of Section 584 of the Internal Revenue Code of 1986, as amended. Subject to the limitations set forth herein, the Trustee shall have full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities or investments held by the Fund, as well as the proceeds, of such investments and any monies belonging to the Fund.

(d) Charges. It shall be the duty of the Trustee to estimate the amount of charges against the Fund for any annual period and retain a sufficient amount with the current collections to provide for the payment of such charges.

SECTION 2. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Hamilton County Legislative Body prior to July 1, 1995. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified to the secretary of state.

SECTION 3. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 2.